



## Irish Life Weekly Investment Bulletin

The week that was – WEEK 49 (ending 02/12/2016)

**“The right word may be effective, but no word was ever as effective as a rightly timed pause.”**  
- Mark Twain

**CSO reports Irish live register now at 8-year low** – According to the Central Statistics Office, on a seasonally adjusted basis, the Live Register total recorded a monthly decrease of 2,800 (-1.0%) in November 2016, reducing the seasonally adjusted total to 285,600. This is the lowest number recorded since Nov 2008.

**Oil price jumps as OPEC agrees first cut in output since 2008** – The Organization of the Petroleum Exporting Countries agreed to cut supply by 1.2 million barrels per day (bpd) to 32.5 million barrels with effect from 1<sup>st</sup> January, the first coordinated cut from OPEC in eight years. Global Brent rose to \$53.90 from \$48.50.

**Eurozone unemployment less than 10% for the first time since 2011** – The EU statistics agency Eurostat reported that unemployment in the eurozone fell to 9.8% in October, its lowest rate for seven years and the first time in 5 years that it fell below 10%. The lowest unemployment rate was the Czech Republic with 3.8%.

**Global stock market down 0.8% on the week** – The MSCI AC World had a minus 0.83% return from 25<sup>th</sup> November to 2<sup>nd</sup> December as investors paused following three successive weeks of stock market gains. Volatility, as measured by the Chicago Board Options Exchange Volatility Index edged up to 14 from 12.6.

**U.S. economy maintains momentum with November employment report** – The Bureau of Labor Statistics reported that the economy added 178,000 jobs in November, while the unemployment rate fell to 4.6%, a level not seen since August 2007. The chances of an interest rate rise this month now look even more likely.

**Global Manufacturing PMI edges up again to reach highest level since August 2014** – IHS Markit reported that the J.P. Morgan Global Manufacturing PMI (Purchasing Managers Index) for November rose to a 27-month high of 52.1, up slightly from October's 52.0. Growth was at a 34-month high in the euro area.

**The Story of the week:** Every year since 2001, people from across the world have gathered in Switzerland to take part in ClauWau, the Santa Claus World Championships. The competitors are challenged with 10 tasks including chimney climbing, snow sculpting, gingerbread house decorating and sleigh racing. But being crowned the best Santa in the world is not easy – the chimneys are impossibly high, stuffed with presents and pine trees block the downhill sleigh ride as well as other obstacles. The 'Santa Claus World Champion' wins a £3,500 prize.

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# Index Performances and Market Data\*

<b>Equity Markets % (in Local Currency)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD (to 02/12)</b>
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-7.8
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	12.2
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-5.0
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	9.4
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	5.0
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-3.2
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	6.2
MSCI AC World	-8.5	13.2	22.9	7.2	-0.7	3.8
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
U.S.	1.9	1.7	3.0	2.2	2.2	2.4
German	1.8	1.4	1.9	0.5	0.6	0.4
UK	2.0	1.9	3.0	1.9	1.9	1.4
Japan	1.0	0.7	0.7	0.3	0.2	0.0
Ireland	8.4	4.5	3.4	1.3	1.1	0.8
Italy	7.1	4.6	4.1	2.1	1.6	2.0
Greece	31.7	12.7	8.2	9.6	7.9	6.4
Portugal	13.4	6.9	6.1	2.7	2.5	3.7
Spain	5.1	5.4	4.1	1.6	1.7	1.6
<b>Central Bank Rates (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
ECB	1	0.75	0.25	0.05	0.05	0.0
Bank of England	0.5	0.5	0.25	0.50	0.50	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
<b>Foreign Exchange Rates</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
Euro/Dollar (€/\$)	1.30	1.31	1.37	1.21	1.09	1.07
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.84
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.27
<b>IPD All Property Return (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Ireland	-2.4	3.1	12.7	40.1	25.0	8.5 (to end of Q3)
U.K.	8.1	2.7	10.7	17.8	13.1	1.3 (to end of Q3)
U.S.	14.5	5.3	11.4	11.2	12.1	5.9 (to end of Q3)

\*Past performance is not a reliable guide to future performance